

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 3091 - SB 3132

February 22, 2010

SUMMARY OF BILL: Establishes a public higher education capital facilities program. Requires the annual budget to recommend funding for public higher education capital facilities in an amount equal to the recurring funds budgeted in the prior fiscal year. Recurring funds include current funds budgeted for capital outlay and funds appropriated to pay for capital project debt service.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Funding for higher education capital programs will remain at least at the level appropriated for FY09-10. In the FY10-11 proposed budget, approximately \$12,000,000 from higher education capital outlay is freed from the retirement of higher education debt service. As proposed, this money will not be available for the state General Fund in FY10-11 but will remain in higher education capital programs. The state will either increase appropriations or reallocate money away from other programs to meet the maintenance of effort requirement in the FY10-11 budget. The amount of such an increase or reallocation in state expenditures in FY11-12 and subsequent years is unable to be reasonably quantified.

Assumptions:

- The FY09-10 budget is used as the base fiscal year.
- Regular public higher education financing is not impacted.
- In future fiscal years, the Governor could not recommend less money in the succeeding fiscal year in which the budget for higher education capital programs had been increased.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

/msg

HB 3091 - SB 3132